

ANNUAL REPORT

Of

Company Name: Seven Canyons Water Company
755 Golf Club Way

Mailing Address: Sedona AZ
86336

Docket No.: W-03388A
For the Year Ended: 12/31/24

WATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: Util-Compliance@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 4/16/2025

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Seven Canyons Water Company
A Class Utility

For the Calendar Year Ended: 12/31/24

Primary Address:

755 Golf Club Way			
City:	Sedona	State:	Arizona
Zip Code:	86366		

Telephone Number:

928-203-2016

Date of Original Organization of Utility:

6/10/1977

Person to whom correspondence should be addressed concerning this report:

Name:

Cheryl Shipe

Telephone No. :

928-203-2005

Address:

625 Golf Club Way			
City:	Sedona	State:	Arizona
Zip Code:	86366		

Email:

cheryl.shipe@sevencanyons.com

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Name:

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Telephone No. :

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Address:

City:		State:	
Zip Code:			

Email:

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Name:

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Telephone No. :

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Address:

City:		State:	
Zip Code:			

Email:

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Name:

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Telephone No. :

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Address:

City:		State:	
Zip Code:			

Email:

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Name:

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Telephone No. :

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Address:

City:		State:	
Zip Code:			

Email:

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Ownership:

"C" Corporation

Counties Served:

Yavapai

ARIZONA CORPORATION COMMISSION
WATER UTILITY ANNUAL REPORT
Seven Canyons Water Company

Important changes during the year
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No	For those companies not subject to the affiliated interest rules, has there been a change in ownership or direct control during the year?
	If yes, please provide specific details in the box below.
	N/A

No	Has the company been notified by any other regulatory authorities during the year, that they are out of compliance?
	If yes, please provide specific details in the box below.
	N/A

Utility Plant in Service (Water)							
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Accumulated Depreciation	OCLD (OC less AD)
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0
302	Franchises	0	0	0	0	0	0
303	Land and Land Rights	0	0	0	0	0	0
304	Structures and Improvements	4,088	0	0	4,088	1,400	2,688
305	Collecting & Improving Reservoirs	0	0	0	0	0	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0
307	Wells and Springs	607,569	0	0	607,569	441,022	166,547
308	Infiltration Galleries	0	0	0	0	0	0
309	Supply Mains	0	0	0	0	0	0
310	Power Generation Equipment	49,113	0	0	49,113	22,367	26,746
311	Pumping Equipment	120,739	0	0	120,739	93,816	26,923
320	Water Treatment Equipment	0	0	0	0	0	0
320.1	Water Treatment Plants	0	0	0	0	0	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0
330.1	Storage Tanks	74,761	0	0	74,761	8,170	66,591
330.2	Pressure Tanks	0	0	0	0	0	0
331	Transmission and Distribution Mains	446,691	0	0	446,691	185,263	261,428
333	Services	62,734	0	0	62,734	9,401	53,333
334	Meters and Meter Installations	65,473	0	0	65,473	30,731	34,741
335	Hydrants	22,074	0	0	22,074	1,987	20,087
336	Backflow Prevention Devices	0	0	0	0	0	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0
340	Office Furniture and Equipment	356	0	0	356	202	154
340.1	Computer & Software	685	0	0	685	616	68
341	Transportation Equipment	0	0	0	0	0	0
342	Stores Equipment	0	0	0	0	0	0
343	Tools, Shop and Garage Equipment	1,969	0	0	1,969	963	1,006
344	Laboratory Equipment	0	0	0	0	0	0
345	Power Operated Equipment	0	0	0	0	0	0
346	Communication Equipment	12,010	0	0	12,010	10,573	1,437
347	Miscellaneous Equipment	3,750	0	0	3,750	1,313	2,438
348	Other Tangible Plant	0	0	0	0	0	0
	Totals	\$1,472,011	\$0	\$0	\$1,472,011	\$807,824	\$664,187

Seven Canyons Water Company
Annual Report
Depreciation Expense for the Current Year (Water)
12/31/24

Depreciation Expense for the Current Year (Water)									
Account No.	Description	Beginning Year Original Cost	Current Year Additions	Current Year Retirements	Adjusted Original Cost	Fully Depreciated/Non- depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	\$0
302	Franchises	0	0	0	0	0	0	0.00%	0
303	Land and Land Rights	0	0	0	0	0	0	0.00%	0
304	Structures and Improvements	4,088	0	0	4,088	0	4,088	4.00%	164
305	Collecting & Improving Reservoirs	0	0	0	0	0	0	0.00%	0
306	Lake, River, Canal Intakes	0	0	0	0	0	0	0.00%	0
307	Wells and Springs	607,569	0	0	607,569	0	607,569	4.00%/3.33%	24,205
308	Infiltration Galleries	0	0	0	0	0	0	0.00%	0
309	Supply Mains	0	0	0	0	0	0	0.00%	0
310	Power Generation Equipment	49,113	0	0	49,113	0	49,113	10.00%	4,911
311	Pumping Equipment	120,739	0	0	120,739	33,097	87,641	4.00%/12.50%	6,437
320	Water Treatment Equipment	0	0	0	0	0	0	0.00%	0
320.1	Water Treatment Plants	0	0	0	0	0	0	0.00%	0
320.2	Solution Chemical Feeders	0	0	0	0	0	0	0.00%	0
320.3	Point-of-Use Treatment Devices	0	0	0	0	0	0	0.00%	0
330	Distribution Reservoirs and Standpipes	0	0	0	0	0	0	0.00%	0
330.1	Storage Tanks	74,761	0	0	74,761	0	74,761	2.22%	1,660
330.2	Pressure Tanks	0	0	0	0	0	0	0.00%	0
331	Transmission and Distribution Mains	446,691	0	0	446,691	0	446,691	4.00%/2.00%	13,387
333	Services	62,734	0	0	62,734	0	62,734	3.33%	2,089
334	Meters and Meter Installations	65,473	0	0	65,473	360	65,113	4.00%/8.33%	4,768
335	Hydrants	22,074	0	0	22,074	0	22,074	2.00%	441
336	Backflow Prevention Devices	0	0	0	0	0	0	0.00%	0
339	Other Plant and Misc. Equipment	0	0	0	0	0	0	0.00%	0
340	Office Furniture and Equipment	356	0	0	356	0	356	6.67%	24
340.1	Computer & Software	685	0	0	685	0	685	20.00%	137
341	Transportation Equipment	0	0	0	0	0	0	0.00%	0
342	Stores Equipment	0	0	0	0	0	0	0.00%	0
343	Tools, Shop and Garage Equipment	1,969	0	0	1,969	0	1,969	5.00%	98
344	Laboratory Equipment	0	0	0	0	0	0	0.00%	0
345	Power Operated Equipment	0	0	0	0	0	0	0.00%	0
346	Communication Equipment	12,010	0	0	12,010	9,800	2,211	10.00%	(142)
347	Miscellaneous Equipment	3,750	0	0	3,750	0	3,750	10.00%	375
348	Other Tangible Plant	0	0	0	0	0	0	0.00%	0
	Subtotal	\$1,472,011	\$0	\$0	\$1,472,011	\$43,257	\$1,428,754		\$58,555

Contribution(s) in Aid of Construction (Gross)	\$0
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$0
Times: Proposed Amortization Rate	4.10%
Amortization of CIAC	\$0

Less: Amortization of CIAC **\$0**

DEPRECIATION EXPENSE **\$58,555**

Seven Canyons Water Company
Annual Report
Balance Sheet Assets
12/31/24

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current and Accrued Assets			
131	Cash		\$78,730	\$85,166
134	Working Funds		250	0
135	Temporary Cash Investments		0	0
141	Customer Accounts Receivable		12,189	14,307
146	Notes Receivable from Associated Companies		33,155	62,642
151	Plant Material and Supplies		0	0
162	Prepayments		0	0
174	Miscellaneous Current and Accrued Assets		0	0
	Total Current and Accrued Assets		\$124,324	\$162,115
Account No.	Fixed Assets			
101	Utility Plant in Service*		\$1,472,011	\$1,472,011
103	Property Held for Future Use		0	0
105	Construction Work in Progress		0	0
108	Accumulated Depreciation (enter as negative)*		(749,269)	(807,824)
121	Non-Utility Property		0	0
122	Accumulated Depreciation - Non Utility		0	0
	Total Fixed Assets		\$722,742	\$664,187
	Total Assets		\$847,066	\$826,302

*Note these items feed automatically from AR3 UPIS Page 4

Seven Canyons Water Company
Annual Report
Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2024)	Balance at End of Year (2024)
Account No.	Current Liabilities			
231	Accounts Payable		\$7,865	\$4,387
232	Notes Payable (Current Portion)		0	0
234	Notes Payable to Associated Companies		0	0
235	Customer Deposits		17,050	17,050
236	Accrued Taxes		660	1,815
237	Accrued Interest		0	0
242	Miscellaneous Current and Accrued Liabilities		10,366	27,134
	Total Current Liabilities		\$35,941	\$50,385
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$0	\$0
	Deferred Credits			
251	Unamortized Premium on Debt		\$0	\$0
252	Advances in Aid of Construction		0	0
255	Accumulated Deferred Investment Tax Credits		0	0
271	Contributions in Aid of Construction		0	0
272	Less: Amortization of Contributions		0	0
281	Accumulated Deferred Income Tax		0	0
	Total Deferred Credits		\$0	\$0
	Total Liabilities		\$35,941	\$50,385
	Capital Accounts			
201	Common Stock Issued		\$1,000	\$1,000
211	Other Paid-In Capital		1,295,407	1,295,407
215	Retained Earnings		(485,282)	(520,490)
218	Proprietary Capital (Sole Props and Partnerships)		0	0
	Total Capital		\$811,125	\$775,917
	Total Liabilities and Capital		\$847,066	\$826,302

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Seven Canyons Water Company
Annual Report
Water Comparative Income Statement
12/31/24

Water Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2024 - 12/31/2024	Last Year 01/01/2023 - 12/31/2023
	Operating Revenue		
461	Metered Water Revenue	\$62,974	\$59,594
460	Unmetered Water Revenue	83,090	80,635
462	Fire Protection Revenue	0	0
469	Guaranteed Revenues (Surcharges)	0	0
471	Miscellaneous Service Revenues	0	0
474	Other Water Revenue	0	0
	Total Revenues	\$146,064	\$140,229
	Operating Expenses		
601	Salaries and Wages	\$0	\$0
604	Employee Pensions and Benefits	0	0
610	Purchased Water	18,910	0
615	Purchased Power	26,101	23,044
618	Chemicals	0	0
620	Materials and Supplies	1,770	908
620.1	Repairs and Maintenance	19,243	15,157
620.2	Office Supplies and Expense	4,588	2,684
630	Contractual Services	0	0
631	Contractual Services - Engineering	0	0
632	Contractual Services - Accounting	3,885	1,890
633	Contractual Services - Legal	60	0
634	Contractual Services - Management Fees	15,208	15,271
635	Contractual Services - Water Testing	9,012	6,957
636	Contractual Services - Other	0	0
640	Rents	9,600	9,600
641	Rental of Building/Real Property	0	0
642	Rental of Equipment	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	9,600	9,491
657.1	Insurance - Health and Life	0	0
665	Regulatory Commission Expense - Rate	270	0
670	Bad Debt Expense	0	0
675	Miscellaneous Expense	0	0
403	Depreciation Expense (From Schedule AR4)	58,555	65,784
408	Taxes Other Than Income	704	0
408.11	Property Taxes	3,739	5,749
409	Income Taxes	50	50
427.1	Customer Security Deposit Interest	0	0
	Total Operating Expenses	\$181,292	\$156,584
	Operating Income / (Loss)	(\$35,229)	(\$16,356)
	Other Income / (Expense)		
419	Interest and Dividend Income	\$21	\$11
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility (Expense)	0	0
427	Interest (Expense)	0	0
	Total Other Income / (Expense)	\$21	\$11
	Net Income / (Loss)	(\$35,208)	(\$16,345)

Full time equivalent employees

	Direct Company	Allocated	Outside service	Total
President				0.0
Vice-president				0.0
Manager				0.0
Engineering Staff				0.0
System Operator(s)			0.7	0.7
Meter reader			0.3	0.3
Customer Service				0.0
Accounting				0.0
Business Office				0.0
Rates Department				0.0
Administrative Staff				0.0
Other				0.0
Total	0.0	0.0	1.0	1.0

Seven Canyons Water Company
Annual Report
Supplemental Financial Data (Long-Term Debt)
12/31/24

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued	None	None	None	None
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amt. Issued	N/A	N/A	N/A	N/A
Amount Outstanding	N/A	N/A	N/A	N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A	N/A	N/A	N/A
Current Year Interest	N/A	N/A	N/A	N/A
Current Year Principal	N/A	N/A	N/A	N/A

Meter Deposit Balance at Test Year End:	\$17,050
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Meter Deposits Refunded During the Test Year:	\$0
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List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Well and Water Usage

[illegible]

Name of system water delivered to:	
ADWR PCC Number:	
Source of water delivered to another system	NA

Name of system water received from:			
ADWR PCC Number:			
Source of water received	NA		
Well registry 55# (55-XXXXXX):			

Month	Water withdrawn (gallons)1	Water sold (gallons)2	Water delivered (sold) to other systems (gallons)3	Water received (purchased) from other systems (gallons)4	Estimated authorized use (gallons)5	Purchased Power Expense6	Purchased Power (kWh)7
January	781,300.00	736,138.00				\$1,500	6,958
February	450,900.00	465,663.00				1,459	6,163
March	635,300.00	686,859.00				1,651	7,062
April	1,041,444.00	1,184,956.00				2,071	10,012
May	1,423,246.00	1,323,820.00				2,232	9,860
June	1,517,938.00	1,258,947.00				2,657	14,135
July	1,886,639.00	1,586,743.00				2,663	14,261
August	1,452,468.00	1,234,863.00				2,699	14,837
September	1,822,096.00	1,608,816.00				2,478	12,306
October	1,782,079.00	1,566,275.00		418,200.00		2,654	13,992
November	1,400,176.00	1,215,908.00				2,113	10,981
December	1,065,837.00	951,262.00				1,925	10,016
Totals	15,259,423.00	13,820,250.00	0.00	418,200.00	0.00	\$26,103	130,583

If applicable, in the space below please provide a description for all un-metered water use along with amounts:

[illegible]

1 Water withdrawn - Total gallons of water withdrawn from pumped sources.

2 Water sold - Total gallons from customer meters, and other sales such as construction water.

3 Water delivered (sold) to other systems - Total gallons of water delivered to other systems.

4 Water received (purchased) from other systems - Total gallons of water purchased/received from other systems.

5 Estimated authorized use - Total estimated gallons from authorized metered or unmetered use. Authorized uses such as flushing (mains, services and hydrants) draining/cleaning tanks, process, construction, fire fighting, etc. Non-authorized use (real losses) are service line breaks and leaks, water main breaks, meter inaccuracies and theft.

6 Enter the total purchased power costs for the power meters associated with this system.

7 Enter the total purchased kWh used by the power meters associated with this system.

Water Utility Plant Description			
Name of the System:	Seven Canyons Water Company		
ADEQ Public Water System Number:	AZ0413248		
ADWR PCC Number:	NA		

MAINS		
Sizes (inches)	Material	Length (feet)
2.00	PVC	67
4.00	PVC	278
6.00	PVC	197
6.00	PVC C900	359
6.00	PVC	524
8.00	PVC	2,104
8.00	PVC	3,710
8.00	PVC C900	2,165
10.00	PVC	2,957

SERVICE LINES		
Material	Percent of system	Year installed
Copper	5%	2003

BOOSTER PUMPS		
Horsepower	GPM	Quantity
15	150	2
30 - 60 (VFD)	175	2

STORAGE TANKS			
Capacity (gallons)	Material	Quantity	Year installed
6,700	Welded Steel	1	2021
200,000	Welded Steel	1	Refurb 03

CUSTOMER METERS			
Size (inches)	Quantity	Percent over 1,000,000 gallons	Percent over 10 years old
0.75	2	0%	0%
1	87	29%	48%
1.5	7	75%	75%
2	11	80%	80%

FIRE HYDRANTS	
Type	Quantity
Standard *	28
Other	0

PRESSURE/BLADDER TANKS			
Capacity (gallons)	Material	Quantity	Year installed
24	Metal	1	2008

* A standard fire hydrant has two 2.5 inch hose connection nozzles with 7.5 threads per inch, and one 4.5 inch pumper connection nozzle with 4 threads per inch.

Water Utility Plant Description (Continued)
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For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:	Solenoid dosing pump (chemical metering pump)
STRUCTURES:	Sound wall, booster pump room (main), office/laboratory, booster pump room (Secret Ridge)
OTHER:	Level controller, level sensor, control switch, Gould's water feature pump, SCADA system

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365
- (b) If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC	275
Method used:	(a)

Customer and Other Information	
Name of the System:	Seven Canyons Water Company
ADEQ Public Water System Number:	AZ0413248
ADWR PCC Number:	NA

Month	Number of Customers				
	Single-Family	Multi-Family	Commercial	Turf/Irrigation	Other Non-Residential
January	65	31	15	0	0
February	65	31	15	0	0
March	66	31	15	0	0
April	66	31	15	0	0
May	66	31	15	0	0
June	66	31	15	0	0
July	66	31	15	0	0
August	66	31	15	0	0
September	66	31	15	0	0
October	66	31	15	0	0
November	66	31	15	0	0
December	66	31	15	0	0

If the system has fire hydrants, what is the fire flow requirements? GPM for hrs.

Does the system have chlorination treatment?

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

If yes, provide the GPCPD amount:

Is the Water Utility located in an ADWR Active Management Area (AMA)?

If yes, which AMA?

What is the present system connection capacity (in ERCs *) using existing lines?

What is the future system connection capacity (in ERCs *) upon service area buildout?

Describe any plans and estimated completion dates for any enlargements or improvements of this system.

* an ERC is based on the calculation on the bottom of AR9 page 12.

Seven Canyons Water Company
Annual Report
 Utility Shutoffs / Disconnects
 12/31/24

Utility Shutoffs / Disconnects	
Name of the System:	Seven Canyons Water Company
ADEQ Public Water System Number:	AZ0413248
ADWR PCC Number:	NA

Month	Termination without Notice R14-2-410.B	Termination with Notice R14-2- 410.C	Other
January	0	0	0
February	0	0	0
March	0	0	0
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	0	0	0
December	0	0	0
Total	0	0	0

Other (description):

None

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes	
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Amount of actual property taxes paid during Calendar Year 2024 was
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\$1,869

If no property taxes paid, explain why.

N/A

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verification and Certification (Taxes)

Verification: State of Arizona I, the undersigned of the
(state name)

County of (county name):	Yavapai
Name (owner or official) title:	Cheryl Shipe, Chief Operating Officer
Company name:	Seven Canyons Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

FOR THE YEAR ENDING: 12/31/24

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Certification:

I CERTIFY THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I CERTIFY THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Cheryl Shipe
signature of owner/official

928-203-2016
telephone no.